

Number 02422319

MAIN MAN SUPPLIES LIMITED

ACCOUNTS
31 December 1995



MAIN MAN SUPPLIES LIMITED

COMPANY INFORMATION

DIRECTOR: D A Williams

SECRETARY: Mrs E C Williams

REGISTERED OFFICE: Unit 15, Charlton Drive
Corngreaves Trading Estate
Cradley Heath
West Midlands
B64 7BJ

REGISTERED NUMBER: 02422319 England & Wales

AUDITOR: Norman C.Sands
Chartered Accountant and
Registered Auditor
333 Hagley Road
Pedmore
Stourbridge
DY9 0RF

ANNUAL REPORT AND ACCOUNTS
31 December 1995

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1 & 2	Report of the Director
3	Auditors Report
4	Profit and Loss Account
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6	Cash Flow Statement
7 to 14	Notes to the Accounts

The following pages do not form part of the statutory accounts

Pages 15 and 16 - Detailed Profit and Loss Account

REPORT OF THE DIRECTOR

The director presents his annual report and the accounts of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of protective clothing and industrial consumables.

REVIEW OF THE BUSINESS

A summary of the results of the year's trading is given on page 4 of the accounts.

The results for the year are considered to be satisfactory.

DIVIDEND

The director does not recommend the payment of a dividend for the year.

DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:-

	<u>31 December</u> <u>1995</u>	<u>31 December</u> <u>1994</u>
D A Williams	9,900	9,900
R Hill (resigned 12 September 1995)	100	100

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTOR (continued)

FIXED ASSETS

Details of the movement in fixed assets is given in note 9 to the accounts.

AUDITOR

The auditor, Norman C.Sands, Chartered Accountant, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors:

....*E. Williams*..... MRS E C WILLIAMS
Secretary

Approved by the Board: 28 February 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF
MAIN MAN SUPPLIES LIMITED

I have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

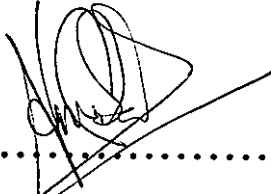
BASIS OF OPINION

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
NORMAN C. SANDS FCA
Chartered Accountant and
Registered Auditor

333 Hagley Road
Pegmore
Stourbridge
DY9 0RF

1 March 1996

PROFIT AND LOSS ACCOUNTfor the year ended 31 December 1995

	Note	<u>1995</u> £	<u>1994</u> £
<u>GROSS PROFIT</u>		785,181	586,205
Distribution costs		(78,358)	(75,578)
Administrative expenses		(506,117)	(403,390)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	200,706	107,237
Profit/(loss) on disposal of fixed assets		621	(2,845)
Interest payable	6	(60,419)	(42,230)
Interest received	7	465	-
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		141,373	62,162
TAXATION	8	(35,915)	(16,658)
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION, RETAINED</u>	18	£105,458	£45,504
		<hr/>	<hr/>
<u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</u>			
Profit for the year after taxation		105,458	45,504
Goodwill on acquisition of Total Safety		-	(7,500)
		<hr/>	<hr/>
<u>TOTAL REGOGNISED GAINS relating to the year</u>		£105,458	£38,004
		<hr/>	<hr/>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 7 to 14 form part of these accounts.

BALANCE SHEET
31 December 1995

	Note	£	1995	£	£	1994	£
<u>FIXED ASSETS</u>							
TANGIBLE ASSETS	9			134,915		118,300	
<u>CURRENT ASSETS</u>							
Stocks	10	365,428			215,100		
Debtors	11	1,291,593			1,105,620		
Cash in hand		-			787		
			1,657,021		1,321,507		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(1,548,006)			(1,295,756)		
<u>NET CURRENT ASSETS</u>				109,015		25,751	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>							
				243,930		144,051	
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13			(22,104)		(27,002)	
<u>PROVISION FOR LIABILITIES AND CHARGES - Deferred taxation</u>	16			(1,569)		(2,250)	
<u>NET ASSETS</u>				£220,257		£114,799	
<u>CAPITAL AND RESERVES</u>							
CALLED UP SHARE CAPITAL	17			10,000		10,000	
PROFIT AND LOSS ACCOUNT	18			210,257		104,799	
<u>SHAREHOLDERS FUNDS</u>	19			£220,257		£114,799	

Signed on behalf of the Board of Directors

..... D A Williams
 Director

Approved by the Board: 28 February 1996

The notes on pages 7 to 14 form part of these accounts.

CASH FLOW STATEMENTfor the year ended 31 December 1995

	Note	£	1995	£	£	1994	£
<u>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</u>	21			(149,396)		70,975	
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>							
Interest received		465		-			
Interest paid		(60,419)		(42,230)			
				(59,954)		(42,230)	
<u>TAXATION</u>							
Corporation tax paid				(16,606)		(4,900)	
<u>INVESTING ACTIVITIES</u>							
Payments to acquire intangible fixed assets		-		(7,500)			
Payments to acquire tangible fixed assets		(79,725)		(80,222)			
Receipts from sales of tangible fixed assets		20,183		7,445			
<u>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</u>				(59,542)		(80,277)	
<u>NET CASH OUTFLOW BEFORE FINANCING</u>				(285,498)		(56,432)	
<u>FINANCING</u>							
Hire purchase		(4,898)		3,228			
<u>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</u>				(4,898)		3,228	
<u>DECREASE IN CASH AND CASH EQUIVALENTS</u>				£(290,396)		£(53,204)	
<u>CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR</u>							
Balance at 1 January 1995:							
Cash in hand		787		451			
Bank overdraft and discounting account		(469,202)		(415,662)			
<u>NET CASH OUTFLOW</u>				(468,415)		(415,211)	
				(290,396)		(53,204)	
Balance at 31 December 1995	22			£(758,811)		£(468,415)	

NOTES TO THE ACCOUNTS

31 December 1995

1 ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) TURNOVER

Turnover comprises the invoiced value of goods sold to third parties, excluding VAT.

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Leasehold improvements	- over the remaining period of the lease
Motor vehicles	- 25% on cost
Fixtures, fittings and equipment	- 20% on cost

(d) STOCKS

Stock is valued at the lower of weighted average cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of directors, there is a reasonable probability that the liability will not arise in the foreseeable future.

(f) LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of these agreements is charged to profit and loss on a straight line basis over the period of the agreement.

NOTES TO THE ACCOUNTS31 December 19952 TURNOVER

The turnover and profit on ordinary activities before taxation is attributable to the one principal activity of the company.

All income arose in the United Kingdom.

3 OPERATING PROFIT

The operating profit is arrived at after charging:-

	<u>1995</u> £	<u>1994</u> £
Depreciation - owned assets	16,735	4,233
Depreciation - assets held under hire purchase or finance leases	26,813	26,256
Staff costs (see note 4)	345,469	275,575
Operating lease rentals - property	32,637	25,660
- vehicle/equipment	13,353	6,590
Auditors remuneration	1,400	5,865
	<hr/>	<hr/>

4 STAFF COSTS

	<u>1995</u> £	<u>1994</u> £
Wages and salaries	307,705	242,909
Social security costs	29,590	24,043
Other pension costs	8,174	8,623
	<hr/>	<hr/>
	£345,469	£275,575
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:-

	Number of employees	
Office and management	6	4
Warehouse and sales	17	15
	<hr/>	<hr/>
	23	19
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 19955 DIRECTORS' REMUNERATION

	<u>1995</u> £	<u>1994</u> £
Fees as directors	51,173	57,443
Other emoluments (including pension contributions)	12,608	14,133
	<u>£63,781</u>	<u>£71,576</u>

The emoluments of the chairman, who was also the highest paid director were £36,012 (1994 £35,222) excluding pension contributions. The emoluments of the other director, excluding pension contributions, were within the following range:-

	<u>1995</u> No	<u>1994</u> No
£20,001 - £25,000	1	
£25,001 - £30,000		1

6 INTEREST PAYABLE

	<u>1995</u> £	<u>1994</u> £
Bank overdraft and bank discounting account interest	53,740	36,711
Finance lease interest	6,679	5,519
	<u>£60,419</u>	<u>£42,230</u>

7 INTEREST RECEIVED

Interest on bank deposit account	<u>£465</u>	<u>£-</u>
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8 TAXATION

	<u>1995</u> £	<u>1994</u> £
Corporation tax at 25% on the adjusted profit for the year	36,598	16,750
Overprovision in previous year	(2)	(92)
Transfer from deferred taxation	(681)	-
	<u>£35,915</u>	<u>£16,658</u>

NOTES TO THE ACCOUNTS
31 December 1995

9 TANGIBLE FIXED ASSETS

<u>COST</u>	Motor vehicles £	Fixtures and equipment £	Leasehold improvements £	Total £
At 1 January 1995	134,827	22,760	8,633	166,220
Additions	72,550	7,175	-	79,725
Disposals	(31,945)	-	-	(31,945)
<u>At 31 December 1995</u>	<u>175,432</u>	<u>29,935</u>	<u>8,633</u>	<u>214,000</u>
<u>DEPRECIATION</u>				
At 1 January 1995	39,566	7,456	898	47,920
Charge for the year	37,790	4,526	1,232	43,548
Disposals	(12,383)	-	-	(12,383)
<u>At 31 December 1995</u>	<u>64,973</u>	<u>11,982</u>	<u>2,130</u>	<u>79,085</u>
<u>NET BOOK VALUE</u>				
<u>At 31 December 1995</u>	<u>110,459</u>	<u>17,953</u>	<u>6,503</u>	<u>£134,915</u>
<u>At 31 December 1994</u>	<u>95,261</u>	<u>15,304</u>	<u>7,735</u>	<u>£118,300</u>

The net book value of motor vehicles includes £90,993 (1994 £94,061) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets was £26,813 (1994 £26,256).

10 STOCKS

	<u>1995</u> £	<u>1994</u> £
Goods for resale	£365,428	£215,100

The replacement cost of the above stock would not be significantly different from the value stated.

NOTES TO THE ACCOUNTS31 December 199511 DEBTORS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Trade debtors	1,271,890	1,086,930
Prepayments	19,703	18,690
	<hr/>	<hr/>
	£1,291,593	£1,105,620
	<hr/>	<hr/>

12 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Trade creditors	676,061	734,506
Social security and other taxes	34,616	29,274
Obligations under finance leases (note 14)	28,902	30,777
Director's loan account	7,227	10,074
Other creditors	1,000	1,000
Accruals	4,791	4,315
	<hr/>	<hr/>
	752,597	809,946
Bank overdraft and discounting account	758,811	469,202
Taxation	36,598	16,608
	<hr/>	<hr/>
	£1,548,006	£1,295,756
	<hr/>	<hr/>

13 CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Obligations under finance leases (note 14)	£22,104	£27,002
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 199514 OBLIGATIONS UNDER HIRE PURCHASE AND
FINANCE LEASES

	<u>1995</u> £	<u>1994</u> £
Gross obligations repayable:		
- within one year	33,390	36,275
- between one and five years	25,817	31,158
	<hr/> £59,207	<hr/> £67,433
Finance charges repayable:		
- within one year	4,488	5,498
- between one and five years	3,713	4,156
	<hr/> £8,201	<hr/> £9,654
Net obligations repayable:		
- within one year	28,902	30,777
- between one and five years	22,104	27,002
	<hr/> £51,006	<hr/> £57,779

15 SECURED DEBTS

The following secured debts are included within creditors:

	<u>1995</u> £	<u>1994</u> £
Bank overdraft and discounting account	758,811	469,202
Obligations under hire purchase and finance leases	51,006	57,779
	<hr/> £809,817	<hr/> £526,981

16 PROVISION FOR LIABILITIES AND CHARGES
- DEFERRED TAXATION

	<u>1995</u> £	<u>1994</u> £
Accelerated capital allowances	£1,569	£2,250

The above figures represent the potential liability. There are no amounts not provided.

NOTES TO THE ACCOUNTS31 December 199517 CALLED UP SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised:		
20,000 Ordinary shares of £1 each	20,000	20,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>

18 PROFIT AND LOSS ACCOUNT

	<u>1995</u> £	<u>1994</u> £
Balance at 1 January 1995	104,799	76,695
Bonus issue of share capital	-	(9,900)
Acquired goodwill written off	-	(7,500)
Retained profit for the year	105,458	45,504
	<hr/>	<hr/>
Balance at 31 December 1995	£210,257	£104,799
	<hr/>	<hr/>

19 RECONCILIATION OF MOVEMENT ON
SHAREHOLDERS FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit for the financial year after taxation	105,458	45,504
Acquired goodwill written off	-	(7,500)
	<hr/>	<hr/>
	105,458	38,004
Opening shareholders funds at 1 January 1995	114,799	76,795
	<hr/>	<hr/>
Closing shareholders funds at 31 December 1995	£220,257	£114,799
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 199520 COMMITMENTS - OPERATING LEASES

Operating lease rentals due within one year from the balance sheet date:-

	<u>1995</u> £	<u>1994</u> £
Land and buildings - in respect of leases expiring after more than five years from the balance sheet date	£33,500	£24,833
Vehicles and equipment - in respect of leases expiring between two and five years from the balance sheet date	£11,541	£9,099
Land and buildings - in respect of leases expiring between two and five years from the balance sheet date	£5,650	£3,450

21 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u> £	<u>1994</u> £
Operating profit	201,327	104,392
Depreciation charges	43,548	30,489
(Profit)/loss on sale of tangible fixed assets	(621)	2,845
Increase in stocks	(150,328)	(76,456)
Increase in debtors	(185,973)	(356,754)
(Decrease)/increase in creditors	(57,349)	366,459
<u>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</u>	<u>£(149,396)</u>	<u>£70,975</u>

22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	<u>1995</u> £	<u>1994</u> £
Cash in hand	-	787
Bank overdraft and discounting account	(758,811)	(469,202)
Balance at 31 December 1995	<u>£(758,811)</u>	<u>£(468,415)</u>